Sugar package

2770. SHRI SANJAY RAUT: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether sugar industries as well as sugarcane-growers are facing severe problems since the last six months due to fall in prices of sugar;

(b) if so, the deails thereof and Government's response thereto;

(c) whether Government have announced any package of Rs. 850 crores for overcoming the problems of sugar industries and sugarcane-growers; and

(d) if so, the details thereof and how much of this package would be given to the sugarcane-growers?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) to (d) The prices of sugar have declined mainly due to excess production of sugar in the current sugar season 2006-07 and expectations of higher sugar production in the next sugar season 2007-08 in the country, coupled with expected higher global surpluses. The ex-mill prices of sugar in the month of March, 2007 were lower by Rs. 200-410 per quintal compared to prices at the start of the sugar season *i.e.* in the month of October, 2006. The decline in sugar prices have constrained the capacities of sugar mills to pay cane price to sugarcane farmers. In order to ensure that over production of sugar does not lead to a situation of mounting cane price arrears, Government have decided:—

(i) to create a buffer stock of 20 lac tons for a period of one year (01-05-2007 to 30-04-2008) under which interest charges, insurance and warehousing charges for the quantity taken as buffer will be reimbursed to sugar factories. The coast of this subsidy is estimated to be Rs. 378 crores for one year. Further, banks would provide additional credit of Rs. 420 crores on creation of 20 lac tons of buffer. Thus, Rs. 798 crores would be available with sugar factories to pay can price to sugarcane farmes, for the sugar season 2006-07 including the cane price arrears of previous sugar seasons. The buffer subsidy and the additional credit are to be used exclusively for the payment of cane prices.

(ii) to provide export assistance to defray the internal transport and freight charges, marketing and handling charges at the flat rate of Rs. 1350 per ton on export of domestically manufactured sugar from sugar factories situated in the coastal States and at the flat rate of Rs. 1450 per ton from sugar factories situated in other than coastal States. Exports made under Open General License (OGL) only (and not under 'advance license') on or after 19th April, 2007 and up to 18th April, 2008 or till further orders, whichever is earlier, would be eligible for this assistance. Further, the amount so received is also to be used for cane price payment. The cost of export assistance is estimated to be Rs. 205 crores.

(iii) to allow sugar exports under OGL without any quantitative ceiling.

Procurement and import of foodgrains

2771. SHRI MATILAL SARKAR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the quantity of foodgrains procured under Minimum Support Price scheme during 2005-06 and 2006-07;

(b) the quantity of foodgrains imported during that period; and

(c) the reasons for the import?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) The quantity of wheat, rice and coarsegrains procured under Minimum Support Price Scheme by the Department of Food and Public Distribution during the relevant marketing seasons 2005-06 and 2006-07 is as follows:

Marketing Season	2005-06	2006-07
Rice	276.6	209.9*
Wheat	147.9	92.3
Coarsegrains	11.6	0.002*

*Position as on 20-04-2007.

(b) and (c) There has been no import of foodgrains for the Central Pool by the Department of Food and Public Distribution during 2005-06. However,